

March 9, 2023

Hello to Everyone, my name is Nancy Mckenney, Owner of Hops 44 in Storrs. I am here in hopes for you to see how detrimental the predictive scheduling bill and the elimination of tip credit actually are.



Restaurants are the backbone of America. They are the place you go to meet a friend, celebrate, have a good meal and good conversation with others.

The pandemic has already facilitated shutting the doors of so many popular restaurants in this state. With the passing of these two bills so many more will be forced to close.

The elimination of tip credit will increase wages of the tipped employees, on the surface this may look good to most people. In reality it is not. Right now, my servers and bartenders whom are tipped employees make an average of \$40-60 hour. There is never an hour that they do not make minimum wage.

The talk of paying the tipped employee minimum wage plus tips is a very bad move. The cost of this goes directly to the small business owner whom is already struggling trying to keep the doors open. Everything in our industry has increased. From food cost, cost of disposable products, wages for employees, electricity, garbage pickup and so much more. With tipped employee wages increasing, it will also increase our taxes, social security contributions, workers comp insurance premiums. It will be very difficult for anyone to stay in the restaurant business. The margins for profit have already diminished so much, it will leave owners no choice to change their business model if they are going to continue to operate. This would happen in a few ways.

The cost of menu items would have to be dramatically increased. Could you imagine going and spending 30 for a burger and fries? Maybe some people would but the majority of customers will stop going out to eat or cook at home because the cost of going out is just not financially feasible.

The other model would be that you would order from your table through a computer or your phone and eliminate the server all together. Think about this, you have now just eliminated so many hospitality positions and these people will have to find other employment, the communication with servers and bartenders is gone, the entire dining experience is lost.

If you go and take the time to speak with servers, bartenders or any other people that are tipped employees and ask how they feel about the elimination of the tip credit they will tell you not to vote for this. They are very happy with the way things are. With this bill passing it will not be the elimination of just tip credit but also the elimination of jobs and small business in the state of CT.

This brings be to the discuss predictive scheduling. Another bill that is just looking to ruin small business. Restaurants schedules are always changing, due to weather, illness, plans change. If we as business owners are forced to pay employees due to schedule changes within 7 days how do you suggest we do that?

An event cancels for Saturday night due to illness, you had 2 additional employees scheduled to handle this event. You now have to pay the 2 employees because you have changed their schedule. The schedule was change beyond the employers' control, the employer is not making any money, but has lost money due to food that has been purchased, the reservations of tables that have been blocked and not available to other guests, and having to pay employees because you changed their schedule.

These proposals make zero financial sense. If you as our legislators want to help small business in our state then you need to look at all angles of these proposals. The only thing that either of these bills are doing is helping to put restaurants out of business and ruin so many livelihoods. From employers, employees, rents, town taxes, state licensing, food / liquor purveyors, electricity, everything that involves small business.

Please, reject this bill from moving forward and listen to the people who it will hurt the most.

Thank you

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